

**DELAWARE HEALTH FACILITIES AUTHORITY**  
**MINUTES OF BOND COMMITTEE MEETING**

Minutes of the Meeting of the Bond Committee (the "Bond Committee") with regard to the Bayhealth Medical Center, Inc. financing held on November 30, 2017 at the offices of Ballard Spahr LLP, 919 North Market Street, 11<sup>th</sup> Floor, Wilmington, Delaware:

The Bond Committee of the Delaware Health Facilities Authority (the "Authority"), consisting of Rolf F. Eriksen, the Chairman of the Authority; Desmond A. Baker, Vice Chairman, Secretary and Treasurer of the Authority; and William J. ("Jack") Riddle, each being a Member of the Authority, convened at 1:30 p.m. on November 30, 2017. The Bond Committee was established by Resolution of the Authority, adopted on October 23, 2017 (the "Authority Resolution"), to approve the details of a revenue bond financing for the benefit of Bayhealth Medical Center, Inc. ("Bayhealth") as more fully described in the Authority Resolution. Also participating in the meeting were Chris Doyle of PFM Financial Advisors LLC, the Authority's Financial Advisor; Matthew J. O'Toole and Alyssa L. Gerace, of Potter Anderson & Corroon LLP, the Authority's Counsel; Emilie R. Ninan, of Ballard Spahr LLP, the Authority's Bond Counsel; Frank Vrabel and Jim Anderson, of Banc of America Public Capital Corp (by telephone); Kathy Kucek and Mike Tretina representing Bayhealth; John Cheney, of Ponder & Co, Bayhealth's Financial Advisor (by telephone), Peter Edelman, of Stevens & Lee, Bayhealth's counsel (by telephone), and Mike Roynan, of Stradley Ronon, counsel to Banc of America Public Capital Corp (by telephone).

The meeting and the public hearings to be conducted at the meeting were duly noticed. One member of the public was in attendance.

Mr. Eriksen invited presentation of the bond sale proposal.

Mr. Vrabel described the proposal of Banc of America Public Capital Corp (the "Bank") to purchase the Series 2017B Bonds (hereinafter defined) pursuant to a Fee Letter (the "Fee Letter") and Continuing Covenant Agreement (the "Continuing Covenant Agreement"), each dated December 1, 2017 and requested the Bond Committee to approve such proposal. Mr. Vrabel noted that the initial rate for the Series 2017B Bonds will be 1.442%.

Reporting to the Bond Committee, Ms. Doyle confirmed that the terms of the Bank's proposal with respect to the Series 2017B Bonds complied with the limitations set forth in clauses (i)-(iii) of Section 4(b) of the Authority Resolution. Ms. Doyle recommended that the Bond Committee approve the Bank's proposal.

Mr. O'Toole accordingly advised the Bond Committee that the proposal was within the parameters established by the Authority Resolution.

After further discussion, the following Resolution was moved by Mr. Baker, seconded by Mr. Riddle, and unanimously approved by the Bond Committee:

RESOLVED THAT:

1. Pursuant to the Trust Indenture between the Authority and Wilmington Trust, National Association, as Trustee, dated as of December 1, 2017 (the "Indenture"), the Authority shall issue its Variable Rate Revenue Bonds (Bayhealth Medical Center Project) Series 2017B, in the aggregate principal amount of \$77,250,000 (the "Series 2017B Bonds") for the purposes described in the Authority Resolution and shall lend the proceeds thereof to Bayhealth pursuant to a Loan Agreement dated as of December 1, 2017 between the Authority and Bayhealth (the "Loan Agreement"), and such issuance and loan are hereby approved.

2. The Series 2017B Bonds shall mature on July 1, 2039, which is within 22 years of the date of issuance. The Series 2017B Bonds will bear a variable rate of interest as set forth in the Fee Letter, the Continuing Covenant Agreement and the Indenture. Such terms are hereby approved. It is hereby confirmed that the Fee Letter is the "Bond Purchase Agreement" (as defined in the Authority Resolution) with respect to the Series 2017B Bonds.

3. The Bond Committee hereby approves the following documents which are authorized to be executed and delivered in such form as the signers thereof shall approve to carry out the intent of this Resolution: the Fee Letter, the Indenture, the Series 2017B Bonds, the Loan Agreement and any Tax Certificate required by federal tax law, and any other agreements, instruments, certificates, documents or writings (including without limitation any Series 2017 Bond Documents (as defined in the Authority Resolution)) required or advisable to accomplish the intent of this Resolution (collectively, the "Documents").

4. The Bond Committee hereby approves and acknowledges the following documents to be executed by parties other than the Authority in connection with the issuance of the Series 2017B Bonds: a Master Trust Indenture between Bayhealth and Wilmington Trust, National Association, as Master Trustee, dated as of December 1, 2017, any supplemental master trust indenture, the Fee Letter and any Tax Certificate required by federal tax law.

5. The Chairman, the Vice Chairman and all other officers of the Authority, or any of them, acting alone, is authorized to execute and deliver any of the foregoing Documents as well as any other agreements, documents, instruments or certificates required or advisable to accomplish the intent of this Resolution.

There being no further business to come before the meeting, the meeting was adjourned at 1:45 p.m.

I, Desmond A. Baker, hereby certify that the foregoing is a true and correct copy of the Minutes of a meeting of the Bond Committee of the Delaware Health Facilities Authority held on November 30, 2017.

 11/30/17  
Desmond A. Baker  
Secretary